



INVESTIGATIVE REPORT

Lori Torres, Inspector General

OFFICE: OFFICE OF THE ATTORNEY GENERAL
TITLE: CONTINGENCY FEE CONTRACT AMENDMENT
CASE ID: 2017-09-0214
DATE: October 2, 2017

OFFICE OF THE ATTORNEY GENERAL CONTINGENCY FEE CONTRACT AMENDMENT

After examination and review, Office of Inspector General Staff Attorney, Matt Savage, reports as follows:

The purpose of this Report is to fulfill the statutory requirements of Ind. Code § 4-6-3-2.5 regarding contingency fee contracts. This statute requires the Inspector General (“IG”) to review contingency fee contracts for possible conflicts of interests and potential Code of Ethics violations. Under this statute, an agency may not enter into a contingency fee contract unless the IG has made a written determination that entering into the contract would not violate the Indiana Code of Ethics set forth in Ind. Code 4-2-6 and 42 IAC 1-5 (“Code of Ethics”) or any statute or agency rule concerning conflicts of interests.

On September 27, 2017, the Office of the Indiana Attorney General (“OAG”) notified the IG that it amended a contingency fee contract (EDS #A56-6-16-08). The amendment assigned the legal services contract from Justin Jacobson, PA d/b/a Lawcraft (“Lawcraft”) to a successor law firm: Rogers, Morris and Ziegler (“RMS”).

In Inspector General Report #2016-03-0053, dated April 5, 2016, the IG determined that the original contract with Lawcraft would not violate the Code of Ethics or any statute or agency rule concerning conflicts of interests. The purpose of the contract was to obtain assistance with collecting judgments in favor of the State against individuals and corporations in Florida. Before

entering into the original contract, the OAG explained that the purpose of hiring a Florida-licensed attorney, rather than having OAG deputies handle these matters, was to increase efficiency. The litigation must occur in Florida; therefore, an OAG deputy would have to retain local counsel to serve as a sponsor for his or her admission *pro hac vice* and then travel to Florida for hearings. The OAG noted that, although collections litigation does not typically involve novel, complex, or difficult questions of law, it does require specific knowledge of Florida's debt collection, enforcement, and recovery laws, which is not within the expertise of the OAG's deputies.

The OAG now provides that the parties executed the amendment because Lawcraft closed its practice and the parties agreed that RMS should serve as successor counsel. The OAG further explains that RMS will engage in the same type of collection activities under the same terms and conditions. The substitution of counsel is the only circumstance that has changed since the IG's written determination involving the original contract. Furthermore the OAG has certified that no one in the OAG has an ownership interest in RMS and that no one involved in the OAG's contracting process has relatives that work for RMS. To the best of the OAG's knowledge, no OAG employee has any connection to RMS except for the relationship established by the contract.

After careful examination and review, the IG has determined that the contract will not violate the Code of Ethics or any statute or agency rule concerning conflicts of interests. First, according to the OAG, RMS does not employ anyone involved in the contracting decisions for the OAG. Likewise, there is no information to indicate that any OAG employee or immediate family member of an OAG employee has a financial interest in RMS or the contract itself. Because of that, it also does not appear that any OAG employee is contracting with or will be supervising the work of a business entity in which a relative is a partner, executive officer or sole proprietor.

Therefore, the IG determines that entering into this contingency fee contract amendment

will not violate the Code of Ethics or any statute or agency rule concerning conflicts of interests.

This Report is issued in compliance with the above noted statutory requirements.

Dated: October 2, 2017

APPROVED BY:

A handwritten signature in black ink that reads "Lori Torres". The signature is written in a cursive style with a long horizontal stroke at the end.

Lori Torres, Inspector General